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AN ACT

RELATING TO TAXATION; RECONCILING MULTIPLE AMENDMENTS TO SECTION 7-9-77.1 NMSA 1978 (BEING LAWS 1998, CHAPTER 96, SECTION 1, AS AMENDED BY LAWS 2003, CHAPTER 350, SECTION 1 AND ALSO BY LAWS 2003, CHAPTER 351, SECTION 1).

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-9-77.1 NMSA 1978 (being Laws 1998, Chapter 96, Section 1, as amended by Laws 2003, Chapter 350, Section 1 and by Laws 2003, Chapter 351, Section 1) is amended to read:

"7-9-77.1. DEDUCTION--GROSS RECEIPTS TAX--CERTAIN MEDICAL AND HEALTH CARE SERVICES.--

A. Receipts from payments by the United States government or any agency thereof for provision of medical and other health services by medical doctors, osteopathic physicians and podiatrists or of medical, other health and palliative services by hospices to medicare beneficiaries pursuant to the provisions of Title 18 of the federal Social Security Act may be deducted from gross receipts.

B. Receipts from payments by a third-party administrator of the federal TRICARE program for provision of medical and other health services by medical doctors and osteopathic physicians to covered beneficiaries may be deducted from gross receipts.

1           C. Receipts from payments by the United States  
2 government or any agency thereof for medical services  
3 provided by a clinical laboratory to medicare beneficiaries  
4 pursuant to the provisions of Title 18 of the federal Social  
5 Security Act may be deducted from gross receipts pursuant to  
6 the following schedule:

7                   (1) from July 1, 2004 through June 30, 2005,  
8 thirty-three and one-third percent of the receipts may be  
9 deducted;

10                   (2) from July 1, 2005 through June 30, 2006,  
11 sixty-six and two-thirds percent of the receipts may be  
12 deducted; and

13                   (3) after June 30, 2006 one hundred percent  
14 of the receipts may be deducted.

15           D. Receipts from payments by the United States  
16 government or any agency thereof for medical, other health  
17 and palliative services provided by a home health agency to  
18 medicare beneficiaries pursuant to the provisions of Title 18  
19 of the federal Social Security Act may be deducted from gross  
20 receipts pursuant to the following schedule:

21                   (1) from July 1, 2004 through June 30, 2005,  
22 thirty-three and one-third percent of the receipts may be  
23 deducted;

24                   (2) from July 1, 2005 through June 30, 2006,  
25 sixty-six and two-thirds percent of the receipts may be

1 deducted; and

2 (3) after June 30, 2006, one hundred percent  
3 of the receipts may be deducted.

4 E. for the purposes of this section:

5 (1) "clinical laboratory" means a laboratory  
6 accredited pursuant to 42 USCA 263a;

7 (2) "home health agency" means a for-profit  
8 entity that is licensed by the department of health and  
9 certified by the federal centers for medicare and medicaid  
10 services as a home health agency;

11 (3) "hospice" means a for-profit entity  
12 licensed and certified by the department of health as a  
13 hospice;

14 (4) "medical doctor" means a person licensed  
15 as a physician to practice medicine pursuant to the  
16 provisions of the Medical Practice Act;

17 (5) "osteopathic physician" means a person  
18 licensed as an osteopathic physician pursuant to the  
19 provisions of Chapter 61, Article 10 NMSA 1978;

20 (6) "podiatrist" means a person licensed as  
21 a podiatrist pursuant to the provisions of the Podiatry Act;  
22 and

23 (7) "TRICARE program" means the program  
24 defined in 10 U.S.C. 1072(7)."

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